

# Investor Relations Newsletter: Year 2022

## CENTRAL PLAZA HOTEL PUBLIC COMPANY LIMITED: CENTEL



The company's performance has recovered significantly in 2022 partially due to the recovery of the hotel and food businesses and also the cost control efficiency to achieve the targeted profit margin. The Company had Total Revenues of Baht 18,216 million, an increase of 57% YoY. An EBITDA was Baht 4,411 million, an increase of Baht 2,407 million or 120% YoY according to the growth from both the hotel and food businesses. The Company had a Net profit of Baht 398 million compared to a Net loss of Baht 1,734 million last year or a growth of 123% YoY. Apart from substantially improving performance, Centara Hotels & Resorts announced its expansion of opening four new hotels (988 rooms). These will cover key destinations in Thailand, Bangkok, Korat, and Chiang Mai, and international destinations including Oman. Additionally, the company signed eight new management contracts for five hotels in Thailand and three hotels in Vietnam. The company recognized the first full-year operation of two new hotels, which are Centara Mirage Beach Resort Dubai, a 4-star hotel with 607 rooms and holding 40% of the joint venture, and Centara Reserve Samui, a luxury hotel with 184 rooms, and recognized the revenue as consolidation.

### Future Plan:



### Hotel Business

Centara Hotels and Resorts intends to expand the hotel business worldwide by developing new brand concepts to support its long-term goal of becoming a top 100 global hotel operator within five years.

Centara aims to expand the business through both owned and managed hotels from 92 hotels as of December 2022 to 200 hotels in 2026. Most new hotels will be managed hotels using low capital to enhance network effects, risk diversification, improve brand awareness, and give more choices to customers. Consequently, the hotels in Thailand and overseas will be balanced proportion in the future.

Centara targets investing in strategic locations including emerging markets and gateway cities. The expansion could be under existing brands or new brands in order to sustainably generate returns from investments and get brand recognition in those markets to increase the chance of obtaining new management contracts. It is valid evidence of the good response to Centara Reserve Samui, Centara Reserve brand, and Centara Mirage Beach Resort Dubai. These two hotels opened in Q4/2021. Centara spreads the successful projects both in emerging markets and gateway cities which are Centara Grand Osaka targeted to open on July 1, 2023 and two new under-construction hotels in the Maldives.

## Food Business



### Outlet Expansion:

The company plans to expand its outlets nationwide to increase the customer base and give customers choice both in Bangkok and the upcountry. The company is not only focusing on high product standards and consistent new product development but also continues to expand through new distribution channels to increase its customer base and serve customers all along.

### Create new business for the growth

The company targets to merge and acquire new brands, which had successful evidence of investment in the past such as Shinkanzen brand in 2022 and Salad Factory brand in 2019. Furthermore, the company aims to acquire one to two new brands per year in order to add more brands to the portfolio.

Additionally, the other business strategy is expanding to Vietnam because Vietnam has potential GDP and trend growth and labour force population. The expansion could be finding business partners, owned investment, and franchising CRG's brands.

### Business growth through strategic business partnerships

The company will accelerate the expansion of the joint venture brands, which are Shinkanzen, Salad Factory, and Somtum Nua in the shopping malls of Central Group, Robinson, and stand-alone outlets.

### Enhancing productivity with 3C

3C was 1) Cost management efficiency of raw materials and administration, 2) CAPEX for investing in the highest return projects, and 3) Cash Flow and working capital management for sufficient needs. Furthermore, the company implements technology in operation such as using QR codes to order food and robots for serving food.